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FEATURE by Bruce Carlson, Mid-America Real Estate – Minnesota LLC

DO “THEY” KNOW WHAT YOU WILL DO NEXT? HOW DATA MINING IS CHANGING RETAILING AND BUSINESS

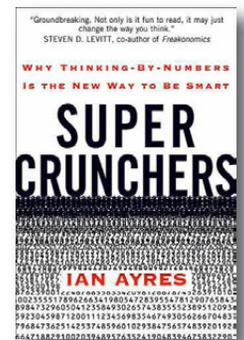
When renting a car, have you ever been asked if you want the option to have the rental car company fill the gas tank upon your return? Well, Hertz knows how many people will choose that option and how much gas you will leave in your tank. Best Buy knows the probability that you will make a claim on your extended warranty. UPS knows if you are getting ready to switch to another carrier and Netflix knows two-thirds of the movies you will rent before you rent them.

According to Ian Ayres' latest book *Super Crunchers* (Bantam), companies not only know the generalized probability of some behavior, they can make incredibly accurate predictions about how you are going to behave. He points out that data mining, or “tera” mining as he calls it, is so incredibly accurate that it sounds like the opening line to Psalm 139: “You have searched me and you know me. You know when I sit and when I rise; you perceive my

thoughts from afar. You discern my going out and my lying down; you are familiar with all my ways.”

Ayres contends that you have “free will,” but data mining is now letting certain businesses emulate a kind of “aggregate omniscience.” Super Crunching, in many cases, is able to make more accurate predictions about how you will behave than you could make about yourself!

Reading this from Ian Ayres shocked me! I thought, “Are you kidding me? I hope this isn’t true!” As I read his recent book, I quickly began to see what Ayres is talking about. And most of this information is coming to retailers and businesses through the use of the internet.



SNAPSHOT

PENN & AMERICAN RETAIL



Location: SEQ of Penn Avenue & American Blvd, Bloomington
Opening: July 2012
Owner: United Properties
Leasing Agents: Northmarq - Jim Larson (952) 837-8637/Peter Armbrust (952) 893-8255
Architect: Elness Swenson Graham
Construction Contractor: Frana Companies
Retail GLA: 13,262 sf in Phase I
Occupancy: Pre-leasing
of Stores: TBD, 2 – 8 bays
Market Area Served: Bloomington, Edina, Richfield trade area
Website: <http://ebrochure.northmarq.com/pennandamerican>
Additional Facts: Penn & American Retail is part of a phased, mixed-use project that will include 234 luxury apartments and townhomes, known as Genesee. This redevelopment of two former auto dealerships is located immediately adjacent to Southown Shopping Center and broke ground in May 2011. Phase I will include 13,000 sf of retail, with an additional 35,000 sf of retail and 60,000 sf of office to be added in Phase II.

Data Mining - continued

You should know that your online correspondence, searching, reading, and purchases are giving retailers and businesses a treasure trove of information about your buying habits and what you like and dislike.

This type of information may either benefit or harm you depending on the situation. If you have ever used CNN.com or MSNBC.com, you know that their webpages provide top stories of interest from around the world. But are "you" given the same stories as "me" on their website? Probably not! Because you and I have different interests and their websites remember what stories we have clicked on, an algorithmic formula then predicts and feeds stories today that we will "want" to read. But, because you and I are different, we will most likely get different stories!

Now, this may be a benefit to me because I get the stories I want. But, is that really good for me? Maybe there are stories I "should" read even if I don't want to. Are CNN and MSNBC limiting, or dare I say, censoring, stories all in the interest of keeping me on their site longer? Well, yes they are!

You may be aware of Pandora.com. It is a service where you can tell the website one or more musical artists you like, and it will then create a customized radio station just for you. It will select songs it "knows" you will like. Rhapsody.com is similar and both are very popular. Try it and see if it works. How do they do that? Well it's all done with regression formulas and algorithms. And it works amazingly well!

Netflix's recommendation system is so "smart" that it currently rents 90% of their 50,000-movie catalog each month. Super Crunchers calls this "collaborative filters." The computer's algorithmic formulas constantly receive information from you and get better and better at recommending titles and predicting what you will rent next. Netflix "knows" what you want and you are doing exactly what they predict. Amazon.com does the same thing.

The problem with these collaborative filters is that you are only exposed to movies, books, clothes, information and other

products that you already like. Your horizons become more and more limited. Is this good for us?

Another technique being employed through internet technology is "coin-flipping." Capital One credit card (CapOne) is a good example of this. In a one-year period, CapOne conducted 28,000 coin flip experiments. Only the cooperation of you and me and the internet can allow for such valuable, quick and accurate experiments to take place. And the knowledge these companies are gaining is staggering. For example, when you go to CapOne's website, you are randomly given a different offer and deal than the next visitor. For me it might say "Limited Time Offer" and for you it may say "2.9 Percent Introductory Rate!" Having the computer randomly sample and Super Crunch the results of our actions tells CapOne what works best and they move forward with their next experiment. They refine and refine and refine their offers to a point where they "know" what you will select in the future. And it works. Their system is over 90% accurate.

THE PROBLEM WITH THESE COLLABORATIVE FILTERS IS THAT YOU ARE ONLY EXPOSED TO MOVIES, BOOKS, CLOTHES, INFORMATION AND OTHER PRODUCTS THAT YOU ALREADY LIKE.

The sample size and quick response time the internet provides is the key to all of this, according to Ayres. With such a large sample group, you can be certain that both groups, en masse, are identical from a demographic standpoint. If you intervene to treat the "heads" group differently from the "tails" group, you can measure the pure effect of the intervention. Super Crunchers call this the "treatment effect." It's the holy grail of number crunching. You can be sure that any change in the outcome of the two groups was a direct cause of the treatment. This was first started with direct mail where different residents received different mailings, but the internet has taken it to a new and amazingly high level.

Google is big into randomization. Want to know whether your beer ad should say "Tastes great" or "less filling?" Well Google will put both ads into rotation and then tell you which one is more popular. Then Google's program will slowly start to shift and add more of the winning advertisement to the best users.

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continued on page 8 →

FEATURED SPONSORS

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To be a leader in the North American Commercial Real Estate Industry.

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At H.J. Development, we strive to maintain our goal of superb performance in real development, management, and investments resulting in successful, long-term ownership.

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Every day, we recognize opportunities to build relationships and help clients succeed. We have added dimension, to give our clients more.

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A diversified property maintenance services company dedicated to providing safe, secure and value added services for property owners and professional managers.

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To be a premier, nationwide provider of financial services to middle-market real estate developers, investors and builders, to satisfy all of our customer's financial needs, help them succeed financially, and be known as one of America's great companies.



The Caring Tree online auction runs **June 3 — June 17**
Click [here](#).

A huge thank you to **Chuck & Don's Pet Food Outlet** and **Robert Muir Company** who will match up to \$2,500 raised in the online auction.

RISING STAR by Richard Jahnke, Paster Enterprises

DICKEY'S BARBECUE RESTAURANTS



Dickey's Barbecue Restaurants are serving up Texas-style, hickory-smoked ribs, chicken, pork and brisket to customers in Shakopee and Plymouth. The Shakopee location has been open for a year and two brothers, Erick and Jon Snover, held their grand opening for their Plymouth franchise last week. Both locations were previously Umbria Pizza outlets and Eric and Jon "got great lease deals plus a good deal of the equipment left behind has been put to use. What wasn't useable was auctioned."

The quick-serve BBQ chain started franchising in 1999 and has grown to 120 stores in 2010. According to founder Roland Dickey Jr., "People want to get out of the rat race and own their own business. The company's expansion has grown 33% over the last two years."

The trend for restaurant leasing activity has seen more demand for second generation restaurant spaces and less ground up tenant improvement projects. This only makes sense with the ample supply of vacant second-generation restaurant

spaces on the market. Leasing a second-generation restaurant space can save the restaurateur \$50,000 to \$500,000 especially if there is kitchen equipment left behind and the SAC/WAC charges have already been paid.

Dickey's has additional locations in Coon Rapids and Maple Gove and will be opening franchises in Eagan, Rogers and possibly in the Dinkytown area. According to information on their website, a franchise can be purchased for a total investment of \$58,000 to \$394,000 with an initial franchisee fee of \$15,000.

Dickey's is successfully meeting demand from consumers looking for value and quality at a lower price point to feed the family. The menu has sides for everyone's taste to complement the BBQ including salads, beans, coleslaw, waffle fries, mac and cheese, green beans and potato salad. Look for more Dickey's in the Mpls/St. Paul market as the franchisee expands.

www.dickeys.com

NETWORKING TIP #6

Become known as a powerful resource for others.

When you are known as a strong resource, people remember to turn to you for suggestions, ideas, names of other people, etc. This keeps you visible to them.

Source: www.strategiesforchange.com

SMALL TALK



MSCA "THIRD THURSDAYS"

Who: MSCA members and their colleagues

What: Casual networking hosted by MSCA members

When: Third Thursday of every month from 8:30-9:30 am

Why: Create synergy in the commercial real estate industry—share ideas and stories and make new effective relationships.

Next meeting: The next meeting will be: Thursday, June 16, 2011 at **Panera Bread** in Coon Rapids (12465 Riverdale Boulevard NW, Coon Rapids 55433). MSCA member hosts include **Deb Carlson**, Cushman & Wakefield of Minnesota, Inc. and **Anita Johnson**, Kraus-Anderson Companies.

There is no fee for this event. Food and beverage are not included. RSVP to Stacey at sbone@msca-online.com is preferred, but not required. Hope to see you there!

EVENTS

- Jun 16 **Third Thursdays Networking**
- Jun 20 **Annual Golf Tournament**
- Jul 13 **Professional Development**
- Jul 21 **Third Thursdays Networking**
- Aug 3 **Shopping Center Focus**
- Aug 18 **Third Thursdays Networking**
- Sep 7 **Geographic Focus**

www.msca-online.com

2011 LEADERSHIP

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COMMITTEE CHAIRS

Golf

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Cindy Weber, Engelsma Construction, Inc.

Learning Session

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Legislative

Jack Amdal, JAmDal Architects LLC

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Newsletter

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Program

Tom Goodrum, MFRA, Inc.

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Retail Report

Janet Goossens, Kraus-Anderson Companies

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Shelly Muelken, Marketplace Commercial

STARRSM Awards

Tony A. Barranco, Ryan Companies US, Inc.

Derek Naill, Associated Bank

Technology

Mark Robinson, Paster Enterprises

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MN MARKETPLACE

Press releases are printed based upon availability of space and relevance to the local market.

- **Big Lots** will be adding three new stores in Maple Grove, Woodbury and Egan in addition to the existing locations in Brooklyn Center and St. Louis Park. The Woodbury location, formerly CompUSA has a projected opening date of August 1.
- **Pizza Ranch** will be opening in Lakeville in the out lot building in front of HOM on I-35 and County Road 50.
- **Stir Crazy** is opening a 6,320 sf restaurant on the third floor next to Bloomingdale's at MOA, with plans to open on October 1.
- Nearly four years ago, when Bobino restaurant closed at 222 East Hennepin Avenue, John Rimarcek, owner of the Monte Carlo, took over the space and immediately placed a sign for Rachel's restaurant. And then it sat there. This April, **Rachel's** finally opened its doors and features American fare, including wings, burgers, egg salad sandwiches, mussels, and poached salmon.
- **Sugar Pop** is a new shop in the Terminal 1 Mall at MSP International airport. It features all sorts of sweet treats, including giant rainbow lollypops, personalized mint tins, and a large selection of retro candies from the '60s, '70s, and '80s.
- **The Bullfrog Cajun Bar** opened in May at 1111 Hennepin Avenue in downtown Minneapolis. Matt Lokowich, owner of the Bulldog empire, has created this new concept that features 24 tap lines with a focus on pilsners and lagers, a big burger list and Cajun cuisine that includes crawdads, clam bakes, po-boys, and fried green tomatoes.
- **Morgan's New World Tavern** opened in May in the Nicollet Inn (formerly the Holiday Inn) in Burnsville, replacing the Dakota County Steakhouse. This new gastropub concept is a sister restaurant to Rudy's Redeye Grille in Lakeville and features American fare and pub classics.
- **Fantastic Sams** has opened in the former Bead Gallery space in the Shoppes of Woodbury Village.
- Last December 14, St. Paul's beloved neighborhood burger joint, **The Nook**, was damaged in a fire. Owners Ted Casper and Mike Runyon spent the last few months rebuilding and they just reopened the place in May.
- **Mill Valley Kitchen**, a new restaurant concept from former Excel Bank CEO, Craig Bentsdahl, is opening on Tuesday, June 7, in the Ellipse on Excelsior development at the corner of Excelsior Boulevard and France Avenue in St. Louis Park.
- Three new **Walgreens** stores have recently opened: 9 Central Avenue East, St. Michael; 4759 Highway 101, Minnetonka; and 2099 Ford Parkway, St. Paul.

MSCA WEBSITE

Thank you for your patience with the MSCA website. We are currently in the process of building a new website, and it will be launched soon. Watch for more information. In the meantime, please continue to call the MSCA office at (952) 345-0452 with any questions or concerns.



Join Our Team!

2 + 2 = 2,000
WAYS DAYS PETS FIXED

2 ways to help: Fundraise and/or Bowl
+ 2 days to bowl: August 13 and 14
= 2,000 pets spayed or neutered

Pins for Pets

...bowl for the fix.

Register early for your choice of day.

Saturday, August 13 & Sunday, August 14
at Flaherty's Arden Bowl • Arden Hills

Check-in at 1 pm, Bowling starts at 3 pm

Join Katie K9 and Ian Punnett from My Talk 107.1, and other pet-lovers for two days of bowling fun and raising money for a good cause – reducing pet overpopulation.

All proceeds will benefit the MN Spay Neuter Assistance Program (MnSnap.org).

For more information and registration go to:

PinsForPets.org



STARRSM Awards

CALL FOR NOMINATIONS



Projects Completed by: September 1, 2010 - August 31, 2011

Deadline: Nominations must be received via mail or fax by **July 15, 2011**.

Categories

Please check ONE (1) box.

The annual MSCA **S**hopping Center **T**ribute **A**wards for **R**etail **R**eal Estate (STARRSM) 2011 competition recognizes outstanding projects and industry leaders of Minnesota retail real estate and development.

1 Interior Design

- Restaurant/Food Service
- Retail/Non-Food Service

2 New Construction

- Retail under 20,000 sf
- Retail 20,000 sf – 50,000 sf
- Retail over 50,000 sf

3 Design & Aesthetics Renovation/Remodel

A retail project that was an enhancement of an existing retail structure.

- Interior Retail under 20,000 sf
- Interior Retail over 20,000 sf
- Exterior Retail under 20,000 sf
- Exterior Retail over 20,000 sf

4 Development Process

- Any size retail project with unique development issues, site approvals, technical and financial challenges and/or incorporating sustainable design, materials or construction techniques.

5 Redevelopment

- Any size project that had an identifiable change of use to the project.

6 Mixed Use

- Any size project encompassing retail and other non-retail uses where retail has made a significant contribution.

Eligibility

Projects completed and occupied between September 1, 2010 - August 31, 2011 are eligible.

Entries must be within the state of Minnesota.

Any one retail project may be submitted in multiple categories (use a separate form).

There is no fee associated with making a nomination.

Upon qualification, projects are subject to a fee. Upon receipt of all nominations and after qualification, MSCA will mail final entry forms, guidelines, judging criteria and fee information to the submittal contact.

Awards will be presented at the STARRSM Awards holiday party on **Tuesday, December 6, at Golden Valley Country Club** in Golden Valley.

Name of Nominated Project _____

Award Category _____

Project Address _____ City _____

Nominated By _____ Phone _____

Submittal Contact _____ Phone _____

Company _____

Address _____

Email _____

Copies of this form are acceptable. If you have questions, please contact Karla Keller Torp at (952) 888-3490.

MINNESOTA SHOPPING CENTER ASSOCIATION
8120 Penn Avenue South, Suite 464
Bloomington, MN 55431

phone: 952-345-0452
fax: 952-888-0000
web: msca-online.com

MEMBER PROFILES

Kevin Beumer

Doody Mechanical



Primary Career Focus: Energy and Service Sales
Education: University of Minnesota, and Embry Riddle, USGBC for LEED AP+O&M
Family: Married with 4 boys
Hobbies: Fishing and coaching lacrosse
Very First Job: Sales at Fanny Farmer Candies in the Burnsville Center
Dream Job: Fishing guide
Secret Talent: Military instructor pilot for 10 years
Favorite Food: Prime rib
Favorite Book: Brotherhood of War series
Favorite Quote: "Nothing happens until somebody sells something"
Favorite Place Traveled: Europe, while stationed there in the US Military
MSCA Involvement: Golf Committee

Brett A. Perry

Messerli & Kramer P.A.



Primary Career Focus: Represent businesses, banks and entrepreneurs primarily in legal matters relating to real estate.
Education: Bachelor of Arts from St. Olaf College – majored in Economics and Psychology; Juris Doctor from Hamline University School of Law
Family: Wife, Angela
Hobbies: Hunting, fishing and golf
Very First Job: Hoeing corn – makes me snicker every time ...
Dream Job: Stock car driver in NASCAR Sprint Cup Series
Secret Talent: Making the complex understandable – very unlawyerlike
Favorite Food: Anything involving buffalo sauce
Favorite Book: *Red Storm Rising* by Tom Clancy
Favorite Movie: All six Star War movies
Favorite Quote: "Shoulda, coulda, woulda means you didn't" by Tom Porter, my football coach at St. Olaf
Mentors: Gordy Jensen, my first lawyer "boss." Bob Berkowitz, who made real estate law interesting at Hamline Law
Favorite Place Traveled: Monticello – Thomas Jefferson's Plantation
MSCA Involvement: Golf Committee

NEW MEMBERS

Ryan Kampff

Concierge Landscape
Environments

Christopher Huntley

Huntley Law, LLC

Rachael Nordgren

Kimley-Horn and Associates,
Inc.

Micki Levy

Action COACH MetroNorth

COMMITTEE CHAT

The 20th Annual MSCA Golf Tournament is just around the corner on **June 20**, and the Golf Committee has been diligently working to ensure this year's event will be another success.

The committee has been busy collecting auction donations thanks to some very generous companies willing to help us with this event. All contributions will help raise money for The Caring Tree, which provides backpacks and school supplies to children in need. MSCA's online auction commences on June 3 and extends to June 17. Please be sure to share the online auction link with your coworkers, family and friends to help encourage bids on all of our great items. If the online auction raises \$2,500, Chuck & Don's Pet Food Outlet and Robert Muir Company have each offered to provide a matching contribution of \$2,500 for The Caring Tree.

The Par-TEE Carts will make their third appearance this year thanks to our sponsors Reliable Property Services and All Elements Inc. Be sure to purchase your raffle ticket for a chance to win these decked-out carts for your foursome!

For all you wine connoisseurs out there, be sure to try your luck at the debut of the Lawn Ranger Wine Pull! For just \$10 per cork, you are guaranteed to walk away a winner of a bottle of wine ranging in price from \$10-\$100. Once again, all proceeds benefit The Caring Tree. Purchase your cork at the tournament near the lunch tent!

All golfing abilities are welcomed at our event. Come for the fun and camaraderie, and be sure to stay for dinner and the silent auction. If you don't golf, please consider joining us for dinner and the auction!

GOLF

MSCA
Golf Event
June 20



THE COR AT RAMSEY

RE-ENVISIONING THE FUTURE OF DEVELOPMENT (IT'S MORE THAN A NAME CHANGE)

Those attending the May program were witness to a presentation that demonstrated a very unique Public-Private Partnership (P3) and the evolution of this project from both sides of the partnership. Darren Lazan, Principal, Landform Professional Services and Heidi Nelson, HRA Executive Director, City of Ramsey provided a lively detailed discussion of the project with the many challenges and opportunities that they have faced along the way.

The original 322-acre development started out under a different developer as the Ramsey Town Center (RTC) in 1998 but was stymied by the difficult economic times and went into foreclosure during 2006-2008. The Housing and Redevelopment Agency (HRA) – City of Ramsey acquired 150 acres out of foreclosure and was charged with the task of rebranding its downtown as The COR to drive development growth.

Some of the major hurdles they encountered included dealing with 19 participating banks, gathering substantial community input about the shape of the project, the challenging economic times facing the real estate community, and the need to clear the slate of the former Master Developer issues. This particular project combined the traditional roles of the public side with the traditional roles of a private developer. In this light, both sides had to forget the past roles, reconsider the visions/goals, assess the impediments to a successful development, try to identify a successful process and continually reassess the project.

Currently the existing development has included a Municipal Center and County



May Speakers – l to r
Darren Lazan, Landform Professional Services
Heidi A. Nelson, City of Ramsey
Paula Mueller, Northtown Mall/Glimcher Properties (moderator)

License Center, a 600-stall parking structure and transit center, three-story and two-story office buildings, a PACT Charter School, a Northstar Marketplace grocery-anchored retail center and over 250 residential housing units.

Now The COR is becoming one of the more dynamic developments in the north metro with over \$80 million in active projects. These include buildings for Allina Medical Clinic and a VA community-based outpatient clinic, a 230-unit above-market apartment complex and 87 units of senior-care living in the center of The COR. In addition, Legacy Christian Academy will house its 1,000 student K-12 campus in this development.

Listen up MSCA members: a retail anchor, pharmacy retail, private colleges and daycare are all additional ideas for this development. Darren and Heidi would be more than happy to welcome brokers out to the site to share the project and their future vision. In addition, The COR will be represented at ICSC or you can learn more on its Facebook page. The unique presentation about The COR made everyone realize it's truly more than a name change.

MAY 2011 PROFESSIONAL SHOWCASE



RLK Incorporated

(l to r) Dave Bade,
Chris Huss, John Dietrich

RLK is a land development consulting firm with expertise in site design, land planning, land surveying, civil engineering, landscape architecture and traffic engineering. RLK understands retail and the complex nature of land development and approvals. RLK is prepared to be your advocate to gain entitlements and maximize your return on your site investment.

RLK has proudly supported MSCA clients for nearly two decades.

MEMBER NEWS

RLK Expands Team. RLK Incorporated announced the addition of David Bade as the new Director of Land Development.

CMA Adds Office. CMA is officially opening its 4th office in St. Paul

Robert Muir Wins Award. Robert Muir Company is the recipient of a 2010 Environmental Excellence Award from the City of Woodbury for the Woodbury Village Solar Energy Project with the installation of a four part 130 kw solar power system covering over half a million sf of shopping center rooftop in Woodbury Village.

JAmdal Architects LLC. Jack Amdal, AIA, has set up shop as JAmdal Architects LLC. Offices are located in the 55 West Office Center in Plymouth.

Allied Blacktop Company

10503 89th Avenue North, Maple Grove, MN 55369
Office: (763) 425-0575 Fax: (763) 424-6791

www.alliedblacktopmn.com

Allied Blacktop Company is a premier asphalt maintenance and rehabilitation contractor that has been successful for over 50 years. We specialize in commercial parking lots, educational and church facilities, municipal roadways and multi housing venues. Patching, Paving, Overlays, Catch Basin Reconstruct, Crack Sealing, Cold Seal Coating (CS-41), Hot Oil and Rock Chip Sealing, Sweeping, Striping, Concrete and much more. We do it all and we do it well! Please contact us to discuss how we can help manage your asphalt needs.

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July 22 - August 8, 2011

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FOR MORE INFORMATION VISIT:
www.caringtree.org

THE CARING TREE
8120 Penn Avenue South, Suite 464, Bloomington, MN 55431
(952) 888-3490

Data Mining - continued from page 2

[Monster.com](#) recently tested seven different websites to find out which one worked best. This is happening everyday all the time.

Super Crunching is changing the airline business dramatically as well. In the past, you received perks and benefits solely on the total miles you flew. However, improved data mining now shows an airline how profitable of a flyer you are. Now they know if you fly profitable routes, if you pay full price, if you call customer service to complain, if you change your flights often, how far in advance you book flights, whether you like to pay for upgrades, etc. Most "platinum" flyers were actually shown to be the least profitable flyers! So now if you get a special offer, you know why!

Be aware also when using any frequent customer cards. Harrah's Casinos now knows how much a 31-year-old, upper-middle class, suburban, female is willing to lose on slots. It's called the "pain point." Let's say Shelly is approaching \$350 in losses. A "luck ambassador" will be dispatched to her machine and say, "Hey, how is your luck today?" And upon finding out she is down \$350, the ambassador gives her a certificate for \$50 at their steakhouse to alleviate her "pain." She now feels good about the loss and tells her friends about the perks she gets at the casino.

Ayres says that grocers are currently testing applications on smart phones that keep track of all your purchases at a grocery store. Based on your historical purchases, i.e. how often you buy bread, the next time you come into the store, it will generate a shopping list and suggest that you are low on bread, Cheerios and yogurt, and it will most likely give you a coupon for your favorite toilet paper.

The government and some consumer groups are now looking into possible disclosure policies on data mining and using information to offer different deals to different people. For now, it's good to be aware and maybe start clicking on news stories about Super Crunchers!

LEGISLATIVE UPDATE

The 2011 regular legislative session ended on May 23rd. The main objective of the session was to pass the two year biennial budget for the state. The Legislature and Governor failed to reach an agreement on the budget. A special session will be called to pass the budget once the Governor and Legislature reach agreement. If there isn't a budget agreement by June 30, 2011, parts of Minnesota government will begin to shut down.

The budget adopted by the Legislature addressed the projected \$5 billion deficit by delaying a \$1.4 billion payment to school districts and reducing government spending by \$3.6 billion. In February, Governor Dayton proposed the \$1.4 billion payment delay and a combination of tax increases and spending cuts to balance the budget deficit of \$6 billion at that time. On May 16, Governor Dayton proposed reducing his \$3.4 billion tax increase to \$1.8 billion to resolve the differences with the Legislature. The Governor and the Legislature were unable



to reach agreement prior to the May 23 deadline. This week, the Governor vetoed the budget bills and tax bill sent to him by the Legislature.

The tax bill (H.F. 42) would have reduced the state general levy on commercial-industrial property for taxes payable in 2012 and 2013 by \$17.7 million in FY 2012 and \$32.4 million in FY 2013. It also gradually reduced the state general levy for both commercial-industrial property and seasonal recreational property each year after that, until it is ultimately eliminated for taxes payable in 2025 and thereafter.

In July of 2010, the Minnesota Supreme Court issued a decision which greatly restricted the ability of cities to grant zoning variances. During the 2011 session, the Legislature and Governor adopted a new law reinstating the power of cities to grant zoning variances under conditions very similar to those in existence prior to the Supreme Court's decision.

STATS: Bar Codes for Buildings

It's remarkable to find that Quick Response (QR) codes have been around since 1994 and we're only now starting to incorporate them into our everyday lives. Although initially used for tracking parts in vehicle manufacturing, QR codes are now used in a much broader context, including on commercial buildings and signage. You might have also seen them on products in shopping centers or grocery stores.

QR codes storing building information such as floor plans, available space, asking rent, leasing contact and amenities can be retrieved simply by a wave of your smart phone. "We experienced a couple hundred hits in the first few months on a Chicago property. It makes people stop and take notice and works best on identifiable spaces in urban areas with sidewalks," said Scott R. Maesel, executive managing director, Sperry Van Ness, LLC. The company also uses them on property signage in suburban locations as another tool for marketing their properties.

QR codes can appear in magazines, on property signs, billboards, buses, business cards, or just about any object which users might need information. The smart phone simply scans the QR code through the phone's reader application to display text, contact information, connect to a wireless network or open a webpage in the phone's browser. The QR code is capable of high-speed reading through position detection patterns located at the three corners of the symbol. The symbol varies so don't expect to see the exact same pattern every time. Happy marketing!

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Source: NAIOP